


Notice of Request for Proposal		 Healthcare Group of Arizona 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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Solicitation Contact Person:

Gary L. Callahan
 Contracts and Purchasing Section
 701 E. Jefferson, MD5700
 Phoenix, Arizona 85034

Telephone: (602) 417-4538
 Telefax: (602) 417-5957
 E-Mail: glcallah@ahcccs.state.az.us
 Issue Date: October 8, 2004

LOCATION: HEALTHCARE GROUP OF ARIZONA (HCG) a division of AHCCCSA
 Contracts and Purchasing Section (First Floor)
 701 E. Jefferson, MD5700
 Phoenix, Arizona 85034

DESCRIPTION: **THIRD PARTY ADMINISTRATION**

PROPOSAL DUE DATE: **November 10, 2004** AT 3:00 P.M. MST

Pre-Proposal Conference: A Pre-Proposal Conference has not been scheduled.

**QUESTIONS CONCERNING THIS SOLICITATION SHALL BE
 SUBMITTED TO THE SOLICITATION CONTACT PERSON NAMED
 ABOVE, IN WRITING EITHER VIA TELEFAX OR E-MAIL
 (PREFERRED).**

In accordance with A.R.S. § 41-2534, which is incorporated herein by reference, competitive sealed proposals will be received at the above specified location, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each offeror will be publicly read.


Proposals must be in the actual possession of the Contracts & Purchasing Section on or prior to the time and date and at the location indicated above.

Late proposals shall not be considered.

Proposals must be submitted in a sealed envelope or package with the Solicitation Number and the offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing a proposal are included in this solicitation document.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

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Offer and Acceptance



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Phoenix, Arizona 85034

OFFER

The undersigned Offeror hereby agrees to provide all services in accordance with the terms and requirements stated herein, including all exhibits, amendments, and best-and-final offers (if any). Signature also acknowledges receipt of all pages indicated in the Table of Content.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Name: _____

Federal Employer Identification No.:

Phone: _____

E-Mail Address: _____

Fax: _____

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99-4 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ____ is/____ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

ACCEPTANCE OF OFFER (to be completed by AHCCCS)


Your offer, including all exhibits, amendments and best-and-final offer (if any), contained herein, is accepted.

The Contractor is now bound to provide all services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by AHCCCS.

This contract shall henceforth be referred to as Contract No. _____.

Awarded this _____ day of _____ 20__

Michael Veit, as AHCCCS Contracting Officer and not personally

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2.0 INTRODUCTION


Since its inception in 1988, the Healthcare Group of Arizona (HCG) has provided health insurance coverage to small business employers (1 to 50 employees), sole proprietors, and political subdivisions of the State of Arizona. The HCG is administered by the Arizona Health Care Cost Containment System Agency, which also administers the State of Arizona's Medicaid managed care and Long Term Care Programs for low income children, families, working poor, and elderly and disabled individuals. Healthcare Group is a premium-based insurance program that is managed as a separate product line within AHCCCS. Healthcare Group will select a Third Party Administrator to provide claims processing, data warehouse management/decision support and membership processing, and staff support to HCG for membership services, call center support, benefits administration, utilization management, IT system support, system report generation, provider relations, and operational management consultants as necessary to support Healthcare Group's PPO, EPO and customer driven health care benefit products.

Potential vendors should be aware that current membership is approximately 12,000 members and that the growth of membership in these products is not guaranteed and may take one to three years to meet the target enrollment goals of 50,000 subscribers.

Healthcare Group currently performs the processing of eligibility and enrollment of the employer groups and their employees and dependents. HCG produces a monthly billing to the employer and collects the premiums. HCG currently contracts with managed care health plans on a full risk capitated basis to provide its managed care products. Contracted MCO's perform all medical management processing including claims adjudication, prior authorization, case management, utilization review, etc. The TPA will be expected to receive and store encounter data from these other contracted health plans.

In addition to the current managed care benefit offered through the contracted MCO's, Healthcare Group plans to offer a new line of benefits to small business, public entities, and sole proprietors that include PPO, EPO and consumer driven products. Healthcare Group will contract with a third party claims and member service operation to support these new benefits.


To support Healthcare Group management, the third party administrator will also provide staffing services including, but not limited to, health plan operations management consultants, utilization review staff, customer service staff, sales support, provider relations specialist, information/web development system specialist, and benefits administration staff as necessary to support the operation of Healthcare group. Healthcare Group will determine the number and type of staff required based on business need. The TPA should provide information and pricing of claims operations and provide a schedule of hourly rates for each staff position as listed in the RFP. HCG may select different components from multiple vendors. Experience managing multiple benefits designs including commercial PPO, EPO and consumer driven product experience is required.

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3.0 SCOPE OF WORK

3.1 GENERAL REQUIREMENTS

- 3.1.1 **MEMBERSHIP AND ENROLLMENT:** HCG will determine the eligibility of the employer groups, insured persons and dependents. The TPA must be able to accept HCG enrollment and membership data files electronically. This will be a daily update file in the format of HIPAA 834 or other record format as determined by HCG in consultation with the contractor.
- 3.1.2 The Contractor shall have an integrated membership module that supports HCG management of employer group benefits, premiums, collections and reconciliation.
- 3.1.3 **BENEFITS ADMINISTRATION:** HCG will provide the specific benefit plan design specifications to the Contractor for each plan option. The Contractor is expected to load the benefit and business rules as specified by HCG and provide benefits administration. Contractor is expected to load provider contracts and rate schedules as provided by HCG. Contractor shall provide benefits administration staff support as requested by HCG management.
- 3.1.4 **PROVIDER NETWORK:** HCG shall make a provider network available. Contractor may propose to HCG a network they have under contract. If the Contractor proposes a network they shall submit network provider rate schedules and contract boilerplates. The Contractor shall supply provider relations staff to work under the direction of HCG management and support network contracting and maintenance. The Contractor may propose a pharmacy network/PBM they have under contract. HCG may choose to separately contract for its pharmacy network/PBM.
- 3.1.5 **CLAIMS AND ENCOUNTER PROCESSING:** The Contractor shall perform claims processing for HCG PPO, POS, EPO and other consumer driven products. Claims performance metrics shall meet or exceed HCG claims processing timeliness, accuracy, and inventory management targets.
- 3.1.6 The Contractor shall provide staffing who will work under the direction of the HCG Medical Director to perform Utilization Review using HCG specific utilization management protocols.
- 3.1.7 The Contractor shall receive, store and provide user required report generation capability of encounter data submitted by contracted MCO's and provider groups.
- 3.1.8 **CALL CENTER SUPPORT:** The Contractor shall provide customer service staff who will work under the direction of HCG call center management for customer call center support.
- 3.1.9 **INFORMATION SYSTEM AND WEB DEVELOPMENT SUPPORT:** As necessary to support HCG operations including data warehouse and reporting support, the Contractor shall provide staff for Web applications development and hosting to support employer benefits management,

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provider network management, provider inquiry and employee enrollment/eligibility and wellness web applications.

3.1.10 **MANAGEMENT STAFF:** The Contractor shall provide key health plan operation management consultant staff as requested to support HCG operations.

3.1.11 **SALES SUPPORT STAFF:** As requested by HCG the Contractor shall provide sales support staff.

3.1.12 **FULFILLMENT SUPPORT:** The Contractor shall provide material fulfillment support including but not limited to: new member package, member ID cards, member information and educational materials, print on demand capability of health promotion materials, marketing materials, and other promotional material distribution and mail delivery options.

3.1.13 **DISEASE MANAGEMENT PROGRAM SUPPORT:** The Contractor shall provide support for HCG disease management program for its PPO, POS, EPO and consumer driven products, include medical management software and support staff as specified by HCG.

3.1.14 The Contractor must be HIPAA compliant with regard to privacy and security.


DETAILED THIRD PARTY ADMINISTRATION SERVICE REQUIREMENTS

3.2 MEMBERSHIP AND ENROLLMENT ADMINISTRATION

3.2.1 The Contractor shall receive membership and enrollment information electronically from HCG on a daily basis. The Contractor shall store and update membership/enrollment files of subscribers and their dependents as necessary. HCG will provide the membership file format and data elements to the Contractor who must configure their membership/enrollment information system module to store and validate information submitted by HCG. Some of the data elements included:

- 3.2.1.1 Employer Group Number and employer information
- 3.2.1.2 Benefit Plan ID and code(s) (Medical, Pharmacy, Dental, Vision, Behavioral Health and Other)
- 3.2.1.3 Co-pay and co-insurance codes
- 3.2.1.4 Subscriber ID and demographics (address, age, sex, etc.)
- 3.2.1.5 Dependent ID and demographics
- 3.2.1.6 Provider/PCP assignment number
- 3.2.1.7 Pre-existing condition flag
- 3.2.1.8 Health Status code(s)
- 3.2.1.9 Eligibility date, anniversary date, and premium rate code

3.2.2 Provider assignment shall be submitted as part of the membership enrollment file. If a member does not make a selection of a provider for the EPO product, the Contractor membership module


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shall be able to perform an auto-assignment of a member to a provider within a five mile radius of the subscribers address.

- 3.2.3 The Contractor's membership module shall be able to produce an electronic file to the fulfillment service to print on demand membership ID cards and new member materials as necessary. New member materials/packets must be mailed to the recipient within 7 working days of receipt of the member's enrollment and shall include subscriber ID card, one card for each dependent and new member enrollment material as specified by HCG. Changes in member provider, demographic, or benefits information shall require the mailing of a new card and appropriate member information.
- 3.2.4 The Contractor shall provide system and software for premium collections and reconciliation management interfaced to AHCCCS financial systems.

3.3 PROVIDER SERVICES AND OPERATIONS (may be offered via a Provider Network)

- 3.3.1 Should HCG choose to use all or part of the Contractors provider network; the Contractor shall ensure that all providers, whether they are agents, subcontractors or anyone acting for or on behalf of the Contractor, are properly licensed under applicable state law and or regulations.
- 3.3.2 The Contractor shall be able to accept HCG provider contracts and rate schedules in addition to any providers provided via a subcontract with the Contractor.
- 3.3.3 The Contractor shall provide provider relations specialists to work under the direction of HCG management to develop and maintain the network for medical, dental, vision, behavioral health, and specialty/alternative medicine.
- 3.3.4 The Contractor shall support HCG network development as directed by the Medical Director with credentialing services as necessary to credential HCG contracted providers.
- 3.3.5 HCG shall evaluate the adequacy of the network based on membership and network design.
- 3.3.6 The Contractor's provider module shall maintain provider contract and credentialing information for contracted providers and registration information for non-contracted providers.
- 3.3.7 The Contractor's provider system module shall maintain history segments for contract service type, location, and Tax Id Number (TIN).
- 3.3.8 The Contractor will link physicians and physician group practices to one physician group number and/or contract number and providers to a corporate group and/or contract number.
- 3.3.9 The Contractor will handle multiple provider types including medical, ancillary, alternative and residential.


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- 3.3.10 The Contractor's system shall permit delivery of multiple services by a provider and multiple rates for the same provider and service, and multiple provider sites of service but specific to different subscriber benefit categories (EPO, PPO etc).
- 3.3.11 The Contractor's system shall provide to payee a written user-friendly remittance notice, itemizing all paid claims to the subcontractor or service provider.
- 3.3.12 The Contractor's claim system shall provide the provider a written remittance notice itemizing the amount of and reason for any disallowance and shall afford the subcontractor or service provider the opportunity to resubmit the corrected or adjusted claims for payment.
- 3.3.13 The Contractor shall, at the request of HCG, provide claims research staff to support HCG with provider claims correspondence and inquiry.
- 3.3.14 The Contractor shall be responsible for production of all applicable tax reporting documents (e.g. 1099s) for providers. The Contractor shall be responsible for all penalty/interest assessments associated with noncompliance.
- 3.3.15 For any of the Contractor's subcontracted provider network there shall be a hold harmless agreement that prohibits providers from billing or collecting from patients more than the plan's designated coinsurance and/or co-payment.
- 3.3.16 On behalf of HCG the Contractor shall produce and print provider directories as specified for each service and/or region determined by HCG management.

3.4 UTILIZATION REVIEW

- 3.4.1 The Contractor shall employ Utilization Review staff as requested by HCG management to work under the direction of the HCG Medical Director. HCG will provide orientation and training as necessary. The Contractor shall have software to identify potential claims fraud.
- 3.4.2 The Contractor shall provide a Utilization Management software module and network terminal or interface to support the HCG utilization management program. Utilization management software must include authorization for specific services. The service authorization system shall provide authorization numbers, effective dates for the authorization, limits, types of service authorized and system-generated confirmation or denials to the provider and members as specified by HCG.

3.5 QUALITY ASSURANCE

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3.5.1 Healthcare Group is responsible for all quality assurance and quality improvement activities. The Contractor shall provide, at the request of HCG, staff specialists and information system support to assist in the HCG quality management program.

3.5.2 The Contractor shall provide system support to collect data on patient outcome measures such as childhood immunizations, low birth weight, mammography screening, and cervical cancer screening at least on an annual basis. HCG expects the Contractor to be able to support the Health Plan Employee Data and Information Set (HEDIS).

3.6 BENEFIT MANAGEMENT

3.6.1 The HCG Program will offer a variety of benefit plans and deductible options. The specific terms of coverage, exclusions and limitations, including legislated benefits, will be made available.

3.6.2 The Contractor shall be able to provide system support and administer PPO, POS, EPO, reverse deductible (HCG pays the first dollar of the deductible) and specialized consumer driven benefit packages. The Contractor must demonstrate that their system is capable of configuring benefits and business rules per HCG specifications with no more than a 90-day configuration window from specification to system go-live for new products.

3.6.3 HCG and the Contractor shall work out a process for benefit design configuration and business rule development. The Contractor must supply system configuration experts to work with HCG product design staff.


3.6.4 The Contractor's system shall be capable of maintaining effective dates of benefit plan rules and rates changes.


3.6.5 The Contractor's claims system shall be able to limit services that can be rendered by a specific: provider, provider/specialty type, service location (e.g., nursing home facility, adult foster care facility, outpatient location), benefit plan type, and member specific provider.

3.6.6 The Contractor's membership module shall have the ability to assign multiple benefit plans per member.

3.6.7 The Contractor's benefits/membership module must be able to assign all members in a specified benefit plan to another specified benefit plan via batch processing (i.e., without having to assign each member individually).

3.6.8 The benefit plan will drive the rules in the Contractor's claim/authorization systems. The Contractor must provide an integrated health plan information system with all the necessary modules to operate and support Healthcare Group membership, provider network management, benefits and claims processing requirements.

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3.7 PRIOR AUTHORIZATION

3.7.1 The Contractor will allow access to membership data and authorization history (in ascending order, descending order, and by date) by HCG. Have ability to report the changes made to authorizations.

3.7.2 The Contractor shall allow a link to a PBM system.

3.8 COBRA ADMINISTRATION

3.8.1 HCG will send the initial notice to terminated covered persons following a qualified event. The Contractor shall flag covered persons who are on COBRA.

3.8.2 The Contractor should be able to support HCG in providing COBRA services as requested.

3.9 DATA RECONCILITATION AND TRANSFER REQUIREMENTS

3.9.1 The Contractor shall accept daily files for eligibility purposes from HCG. HCG shall determine the specific format.


3.9.2 The Contractor shall accept monthly files containing all active members for eligibility reconciliation purposes from HCG. The eligibility records shall be updated monthly based on the findings of the reconciliation process. HCG shall determine the specific format.

3.9.3 The Contractor shall accept encounter data from HCG or affiliated contractors. HCG shall determine the specific format and processing requirements. The Contractor will be the data warehouse for HCG encounter, employer, and membership information. The Contractor shall have the capacity for storing up to five years of HCG data files. The Contractor shall provide HCG staff with access to the data warehouse and train HCG staff on Contractor's report generation software.

3.9.4 The Contractor shall support HCG staff with developing, extracting and reporting monthly files of claims/encounter data. HCG shall determine the specific format and processing requirements.


3.9.5 The Contractor shall support HCG staff with developing, extracting and reporting monthly financial reports of claims paid/owing (adjudicated but not paid). The file shall also be provided upon request. HCG shall determine the specific format.

3.9.6 The Contractor shall provide information system specialists, as necessary, to support HCG in meeting reporting requirements.


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3.10 CLAIMS ADMINISTRATION

- 3.10.1 The Contractor is required to support services incident to the settlement of claims in accordance with plan provisions and as directed by HCG, which may include but not limited to the provisions of appropriate and authorized forms, adjudication, medical review, records retention, check and EOB issuance. The Contractor shall cooperate with HCG on the resolution of claimant inquiries, payment discrepancies and claim appeal procedures.
- 3.10.2 The Contractor's claims system must provide, print, mail and maintain easy-to-read universal claim forms, remittent advices and EOBs approved by HCG. All EOBs will be in accordance with general industry standards, contain all necessary coding, clear and concise explanations, including any language at the request of the HCG.
- 3.10.3 All clean claims shall be paid within 10 working days of receipt. Claims administration shall meet the performance standards for accuracy, financial accuracy and timeliness. The claims system shall have the capability to verify eligibility; verify eligible services; detect fraud; track information in various categories and formats; and determine benefits payable and issue payment.
- 3.10.4 The Contractor's system shall be able to perform re-pricing of claims data, as requested by HCG.
- 3.10.5 The Contractor shall provide the following administrative services for HCG pursuant to this contract:
- 3.10.5.1 Configuring and maintaining a claims system to process HCG claims.
 - 3.10.5.2 Editing, denying, and pending claims per specifications provided by HCG.
 - 3.10.5.3 Computing the benefits due in accordance with current benefit plan document and/or documentation.
 - 3.10.5.4 Appropriate and necessary coding and rate schedule uploads (e.g. ICD9, CPT4, DRG etc.)
 - 3.10.5.5 Pre-certification requirement coordination.
 - 3.10.5.6 System-generated letters to the person or assignee entitled thereto (if applicable).
 - 3.10.5.7 Tracking and processing of deductibles, co-pays, out-of-pocket maximums, lifetime maximums, etc.
 - 3.10.5.8 Discussing claims, where appropriate, with HCG, plan physicians, medical providers, and other providers of service.

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- 3.10.5.9 Obtaining and furnishing information regarding coordination of benefits.
- 3.10.5.10 Applying claims control procedures necessary for the effective administration of the plan. These procedures may include HCG specific rate schedules, Reasonable and Customary fee profiles based on HIAA or MDR data using the 90th percentile.
- 3.10.5.11 Handling any Medicare issues coordination of benefits.
- 3.10.5.12 Identifying and cooperating in the investigation of claims in which the charges appear higher than usual. Timely notification to participants of delayed claim payments that are caused by the presence of duplicate coverage or an error of omission in claim payment documentation.
- 3.10.5.13 Verifying eligibility to provider of service through information provided by HCG.
- 3.10.5.14 Managing and processing claims in accordance with HCG requirements and performance standards. Providing for electronic submission of claims by providers and Web enabled provider claims status inquiry and eligibility verification.
- 3.10.5.15 Contractor shall provide customer service staff for telephone support in regards to claims inquiries.
- 3.10.5.16 Contractor shall provide the option of Financial Transfer Payments or printed check provider payments. Provider payments shall be run at least Wednesday and Friday of each week. All printed checks or drafts, financial transfer payments, and remittance advice shall have the corresponding explanation of benefits.
- 3.10.5.17 Contractor may request up to a \$100,000 claims advance to manage claim payment cash flow. Contractor may request wire transfers or other agreed upon financial transfer of funds weekly from HCG to fund claim payments.
- 3.10.5.18 Contractor shall respond within one (1) working day to any inquiry from the HCG management, or designated staff regarding the disposition of pending claims in the Contractor's claims system
- 3.10.5.19 Contractor shall provide timely reports to HCG management of all claims or claimants that approach the notification requirements as identified for HCG's stop-loss carrier for any conditions, diagnosis, or claim payments that cross the threshold for stop-loss carrier notification. The Contractor is to contact HCG with the information required for the stop-loss carrier and follow all requirements for appropriate claim notification.
- 3.10.5.20 Track and resolve over-payment of claims and all duplicate claims received, paid, or adjudicated. Recoup overpayment as necessary.

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3.10.5.21 The Contractor claims system shall be capable of generating health plan claims payment reports by either providing HCG with direct user access to claims system report database and/or with any and all claim reviews/alerts pre-programmed in the claims payment system, claim operations reports, claim payment threshold approvals as determined by HCG, out-of-state claims filed for in-state members, individual subscriber claimant thresholds, unusual claims received, or HCG reports based on identified parameters associated with financial management of claim payments.

3.10.5.22 Provide monthly claims operations performance reports using HCG specified format.

3.11 CLAIMS SYSTEM REQUIREMENTS

3.11.1 The Contractor's claim payment system shall be capable of maintaining on-line claims operations files and claims system configuration for multiple health, dental, vision, behavioral health benefits and products. Be capable of providing reports, provider database print outs and provide HCG with scheduled claims operations reports and files. The claims system shall maintain databases and accept transfer of data for:

3.11.1.1 Eligibility (e.g., employee, dependent, COBRA, effective date, termination date).

3.11.1.2 Tracking and accumulation of deductibles and coinsurance maximums (annual & lifetime).

3.11.1.3 Stop-loss trigger diagnosis codes or dollar limits.

3.11.1.4 Membership data files including deductibles and annual and lifetime maximums.

3.11.1.5 Coding and rate schedule management (e.g. ADA, CPT, CMS codes) files.

3.11.1.6 Creating of claim file for each claim type and benefit/product category.

3.11.1.7 Patient identification.


3.11.1.8 Place of service.

3.11.1.9 Coordination of benefits.

3.11.1.10 Duplicate claim administration.

3.11.1.11 Applicable provider discounts.

3.11.1.12 UCR allowance.

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3.11.1.13 Incurred date.

3.11.1.14 Claim paid date.

3.11.2 Immediately upon determination and identification of system problems, programming problems, or data transfer problems, the Contractor shall notify HCG. The Contractor shall also make every effort necessary to correct such problems immediately or as soon as possible, including but is not limited to nights, weekends, and holidays, to minimize any negative impact to employee, or dependents, and to maintain continual operation of the HCG Program.

3.12 CLAIM DENIAL

3.12.1 The Contractor shall notify claimants by system generated letter, a remittance advice, or EOB within 5 business days of date of processing claims of denials or a reduction in claim payments and the specific reasons. If requested by HCG, and in accordance with established procedures, the contractor shall provide electronic files of all relevant correspondence regarding each claim rejection/reduction to HCG.

3.12.2 The claims system must be able to pay and deny claims by line item with partial payment of claims. Denial reason codes must be provided on the remittance advice to the provider.

3.12.3 The Contractor shall notify the claimants by mail and enclose explanation of the appeals process.


3.13 CLAIM APPEALS

3.13.1 When a claim has been denied, or paid in part, the member shall have the ability to file an “appeal”. The Contractor shall maintain information for the claim appeal process in compliance with any and all state and federal statutes as well as comply with Arizona Administrative Code Title 9, Chapter 34.

3.13.2 In collaboration with the Contractor, HCG shall establish a phone number, mailbox and procedure for submission of claims or member appeals.

3.14 MEMBER GRIEVANCE AND APPEALS PROCEDURES AND RESOLUTION REQUIREMENTS

3.14.1 The Contractor shall support HCG with a procedure for identifying and managing covered persons grievance, disputes, and appeals regarding the problems with provider access, request for change of providers, and other matters concerning quality of care. . The Contractor shall support HCG ability to respond to all complaints, disputes, and appeals promptly, according to standards established by Arizona Administrative Code Title 9, Chapter 34.

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- 3.14.2 The Contractor shall provide and identify one key employee to communicate with, cooperate with, and maintain a working relationship with the identified HCG Grievance and Appeals Ombudsman, for the purpose of timely communication and coordination with covered persons.
- 3.14.3 HCG will be solely responsible for any and all complaints, issues, disputes, and appeals related to plan enrollment, member eligibility, billing issues and premium payment issues.
- 3.14.4 The Contractor shall provide all requested information to HCG, AHCCCS and other entities to assist in the completion of the member Appeals process.
- 3.14.5 The Contractor shall comply with the Arizona Health Care Cost Containment System Grievance System as defined by Arizona Administrative Code Title 9, Chapter 34.

3.15 AUDIT

- 3.15.1 HCG reserves the right to audit the Contractor's claim payment operations and records with reasonable notice. HCG shall select the auditor. The Contractor shall cooperate with the auditors and waive any fees associated with obtaining access to the information.
- 3.15.2 HCG may conduct an audit on a regular basis, up to once per quarter if deemed necessary by HCG, or at any timed determined necessary during or after completion of the contract year.
- 3.15.3 HCG may also audit the Contractor's records relating to specific performance standards as outlined. These shall include but are not limited to member enrollment processing, claims operations and administration in terms of processing accuracy, financial accuracy and timeliness.

3.16 CUSTOMER CARE AND MEMBER SERVICES

- 3.16.1 Contractor shall provide Healthcare Group with customer service staff as necessary to support customer service operations. The customer service staff will use the HCG customer service system and follow HCG customer service operational protocols under the supervision of the HCG Customer Care Administrator. At the discretion of HCG management, the contractor may be requested to perform full customer service functions at a point when membership growth would make that in the best economic interest of HCG.
- 3.16.2 Contractor shall provide Healthcare Group identification cards (if part of a network plan) within 10 calendar days of the effective date of the covered person. All identification cards shall be sent to insured via First Class mail unless HCG authorizes another class of mail. Each insured shall receive one identification card for each covered person.

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3.17 PUBLIC INFORMATION REQUESTS, MEDIA REQUESTS, PRESS RELEASES, OR OTHER PUBLIC COMMUNICATION

3.17.1 Contractor shall notify HCG within 24 hours of a receipt of a written public information request, written media request, or other public inquiry regarding the HCG benefit plan. The Contractor agrees that HCG will approve all responses prior to release or response of inquiry.

3.17.2 Contractor shall agree that all telephone inquiries for public information are to be transferred to HCG for response and resolution. Submit copies of all press releases pertaining to or having impact on HCG Program. HCG must approve all such releases in writing prior to submission or response.

3.18 PERFORMANCE STANDARDS

3.18.1 The Contractor shall agree to meet the Performance Standards outlined in Attachment A.

3.18.2 The Contractor not meeting performance standards as identified in Attachment A may be assessed liquidated damages sufficient to overcome deficiencies. Damages are not to exceed twenty-five percent (25%) of administrative fees as calculated on an annual basis. The reports prepared by the Contractor, as detailed in this section and in Attachment A shall be used to determine whether appropriate levels are being met. An audit of services provided by the contractor may be undertaken at the request of HCG. If a violation of standards is found, the Contractor shall accept financial responsibility for any and all audit expenses or ongoing attempts at correction.


3.19 SYSTEM AND REPORTING REQUIREMENTS

3.19.1 The Contractor claims system shall be configured to maintained claims data elements to meet HCG's claims review and reporting requirements. The Contractor shall maintain databases and data records in such a manner that allows reporting of claims charges submitted by providers and payments made to providers.

3.19.2 The Contractor shall provide, on a regularly scheduled basis, no less frequently than monthly or as requested by HCG, a file containing detailed claim records in a format required by HCG. This file shall be used by HCG actuaries to determine medical cost ratios and product pricing.

3.19.3 The Contractor shall produce a quarterly and annual detail claims record file for HCG use.

3.19.4 The Contractor's report generation capability shall include reports as follows:

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3.19.4.1 Monthly reports

- 3.19.4.1.1 Claims billed, allowed and paid
- 3.19.4.1.2 Claim lag (incurred vs. paid)
- 3.19.4.1.3 Large claim reports identifying members with claims of \$25,000 or more within the plan year
- 3.19.4.1.4 Individual claim submissions/bills in excess of \$100,000
- 3.19.4.1.5 Diagnosis related reporting
- 3.19.4.1.6 Drug cost reporting from pharmacy encounters/claims
- 3.19.4.1.7 Number of checks processed
- 3.19.4.1.8 A brief narrative of significant accomplishments, administrative issues, outstanding problems etc. which occurred in the month
- 3.19.4.1.9 Quarterly Reports
- 3.19.4.1.10 Rate of hospital admissions/1,000 members
- 3.19.4.1.11 Rate of hospital days/1,000 members
- 3.19.4.1.12 Average length of stay (hospital and skilled nursing centers)
- 3.19.4.1.13 Emergency room visits/1,000 members
- 3.19.4.1.14 Outpatient surgeries/1,000 members
- 3.19.4.1.15 Claim costs by type of service (medical-inpatient, outpatient, physician, etc.)
- 3.19.4.1.16 In-network vs. out-of-network utilization and claims cost
- 3.19.4.1.17 Savings resulting from network discounts
- 3.19.4.1.18 Annual Reports financial and performance reports
- 3.19.4.1.19 Rate of hospital admissions/1,000 members
- 3.19.4.1.20 Rate of hospital days/1,000 members
- 3.19.4.1.21 Average length of stay (hospital and skilled nursing centers)
- 3.19.4.1.22 Physician office visits (PCP vs. specialist)
- 3.19.4.1.23 Emergency room visits/1,000 members
- 3.19.4.1.24 Outpatient surgeries/1,000 members
- 3.19.4.1.25 Claim costs by type of service (medical-inpatient, outpatient, physician, etc.)
- 3.19.4.1.26 In-network vs. out-of-network utilization and claims cost
- 3.19.4.1.27 Patient outcomes (in terms of mortality and morbidity)
- 3.19.4.1.28 Payment per admission
- 3.19.4.1.29 Savings resulting from network discounts

3.19.5 HCG may request any and all reports at any time throughout the contract period to meet its needs based on plan adjustment, legislative inquiries, or fund review. The Contractor shall support HCG generation of such reports as soon as possible upon receipt of the request.


3.19.6 All routine reports identified shall be broken down by plan, by participant, by claimant, by dollar amount, by date, or any other parameter identified for report analysis.

3.19.7 The Contractor shall provide HCG user access to Contractor's data warehouse or data server where HCG health plan data is stored to generate ad-hoc health plan reports or provide the reports directly as requested.

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3.20 CONTRACT TERM COMPLETION/TRANSITION RESPONSIBILITIES

- 3.20.1 Upon completion of the contract term, the Contractor shall provide to HCG communications and data support for a successful transition to the new Contractor or internal HCG systems.

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4.0 Pricing Schedule: Please provide your base price for the following:


4.1 Service Fees (show fees as per employee per month – PEPM)

Service	PEPM Rate	Price Discounts (based on membership or claims volume*)
1. Claims Administration/Claims Operations		
2. Provider Network Database Maintenance		
3. Fulfillment Services and ID Cards production		
4. Benefits Administration, System configuration/Maintenance		
5. Member Services Operations and System Maintenance		
6. Other Service Charges (i.e.: encounters from other health plans, data warehouse – provide detail)		
Staffing Services (Please itemize the staffing hourly rates by type to staffing. All other services will be paid on a time and material basis.		
Staffing Support shall include the following: UR nurses Information system support staff Management consultants Customer service representatives Provider Relations Specialist QI/QA Specialist Benefits Administration Support Staff Others		

4.2 One time only Fees

Initial System configuration and Set-up Fee	\$
Other one time charges (explain)	\$

* Please note discount base used, (membership or claims). Volume price points may be indicated in multiple columns.

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- 4.3. The Contractor should note any pricing schedule that includes a per claims price while the HCG membership is low. Then propose an enrollment point at which a per employee per month schedule would be utilized.
- 4.4. HCG reserves the right to evaluate and accept the pricing fees most advantageous to its need.
- 4.5. HCG may only use some of the Contractors services. HCG will only pay for the services used.
- 4.6. In the event HCG exercises its sole option to renew the contract for additional periods, pursuant to the applicable provisions of this document, the fees may be subject to negotiation prior to the effective date of such additional periods.

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1. **Definition of Terms:** As used in within this solicitation document, and any resultant contract, the terms listed below are defined as follows:
 - 1.1 “*AHCCCS*” means an Arizona Health Care Cost Containment System - managed health care program which pertains to health care services provided pursuant to A.R.S. 36-2903 et seq.
 - 1.2 “*AHCCCSA*” means the Arizona Health Care Cost Containment System Administration.
 - 1.3 “*Attachment*” means any item the Solicitation requires an Offeror to submit as part of the Offer.
 - 1.4 “*Certificate of Creditable Coverage*” means a written verification of prior coverage from any qualified health plan coverage that includes specific dates of eligibility.
 - 1.5 “*Claim*” means notification in a form acceptable to the contractor that a covered service has been rendered or furnished to a covered person.
 - 1.6 “*COBRA*” means those sections of the Consolidated Omnibus Budget Reconciliation Act of 1985 (as amended) that regulate the conditions and manner in which an employer must offer continuation of group health insurance to covered persons whose coverage would otherwise terminate under the terms of the policy.
 - 1.7 “*Contract*” means the combination of the Solicitation, including the Instructions to Offerors, Contract Terms and Conditions, Scope of Work; the Offer, any Best and Final Offers and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
 - 1.8 “*Contract Amendment*” means a written document signed by the Contracting Officer that is issued for the purpose of making changes in the contract.
 - 1.9 “*Contracting Officer*” means the person duly authorized by HCG to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.
 - 1.10 “*Contractor*” means a person who has a contract with HCG.
 - 1.11 “*Covered Person*” means the insured person (employee) or the dependent(s) of the covered person who are insured under the policy.
 - 1.12 “*Covered Service*” means a service or supply that is included in the benefit plan selected by the covered person.
 - 1.13 “*Creditable Coverage*” means the process of allowing a credit of one month for each month of creditable coverage a person had under any qualified health plans if, after the period of coverage and before the enrollment date, there was not more than 63 consecutive days in which the person was not covered.

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- 1.14 *"Days"* means calendar days unless otherwise specified.
- 1.15 *"Dependent"* means an insured person's legal dependents as defined by HCG.
- 1.16 *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.17 *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.18 *"HCG"* means Healthcare Group of Arizona.
- 1.19 *"Health Plan"* means an organization which contracts with the HCG Administration to administer the provision of a comprehensive package of HCG covered health care services to HCG members enrolled with the health plan.
- 1.20 *"Insured Person"* means the employee for whom coverage is in effect as provided by the policy.
- 1.21 *"May"* indicates something that is not mandatory but permissible.
- 1.22 *"Offer"* means bid, proposal or quotation.
- 1.23 *"Offeror"* means a vendor who responds to a Solicitation.
- 1.24 *"Program Contractor"* means an organization which contracts with the HCG Administration to execute the provision of a comprehensive package of HCG covered health services to members enrolled with the program contractor.
- 1.25 *"Shall, Must"* indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
- 1.26 *"Should"* indicates something that is recommended but not mandatory. If the offeror fails to provide recommended information, the State may, at its sole option, ask the offeror to provide the information or evaluate the proposal without the information.
- 1.27 *"Scope of Work"* means those provisions of this solicitation that specify the work and/or results to be achieved by the Contractor.
- 1.28 *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 1.29 *"Solicitation Amendment"* means a written document that is authorized by the Contracting Officer and issued for the purpose of making changes to the Solicitation.

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1.30 "*Subcontract*" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

1.31 "*State*" means the State of Arizona.

2. Inquiries:

- 2.1 Duty to Examine: It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 2.2 Solicitation Contact Person: Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation Contact Person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation Contact Person as a contact.
- 2.3 Submission of Inquiries: The Solicitation Contact Person may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- 2.4 Timeliness: Any inquiry shall be submitted as soon as possible and at least seven days before the Offer due date and time. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 2.5 No Right to Rely on Verbal Responses: Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- 2.6 Solicitation Amendments: The Solicitation shall only be modified by a Solicitation Amendment.
- 2.7 Pre-Offer Conference: If a Pre-Offer Conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.

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- 2.8 **Persons With Disabilities:** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation Contact Person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3. **Offer Preparation:**

- 3.1 **Forms: No Facsimile or Telegraphic Offers:** An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.
- 3.2 **Typed or Ink; Corrections:** The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3.3 **Evidence of Intent to be Bound:** The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- 3.4 **Exceptions to Terms and Conditions:**
- 3.4.1 If offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist **prior to the due date and time for receipt of proposals**. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.
- 3.4.2 If an offeror includes, in their proposal, exceptions, not covered by paragraph 4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect HCG's proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.
- 3.4.3 The Offeror's preprinted or standard terms will not be considered by HCG as a part of any resulting Contract.
- 3.5 **Subcontracts:** Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.

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- 3.6 Cost of Offer Preparation: HCG will not reimburse any Offeror the cost of responding to a Solicitation.
- 3.7 Solicitation Amendments: Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- 3.8 Provision of Tax Identification Numbers: Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form.
- 3.9 Federal Excise Tax: The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- 3.10 Identification of Taxes in Offer: The State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate tax as a separate in the offer, the State will conclude that the price(s) offered includes all applicable taxes.
- 3.11 IRS W9 Form: In order to receive payment under any resultant contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.
- 3.12 Disclosure: If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 3.13 Solicitation Order of Precedence: In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
- 3.13.1 Special Terms and Conditions;
- 3.13.2 Uniform Terms and Conditions
- 3.13.3 Statement or Scope of Work;
- 3.13.4 Specifications;

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3.13.5 Attachments;

3.13.6 Exhibits;

3.13.7 Special Instructions to Offerors, and

3.13.8 Uniform Instructions to Offerors

3.14 Delivery: Unless otherwise stated in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

4. Submission of Offer:

4.1 Sealed Envelope or Package: Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.

4.2 Offer Amendment or Withdrawal: An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.

4.3 Public Record: Under applicable law, all Offers submitted and opened are public records and must be retained by AHCCCS. Offers shall be open to public inspection after Contract award, except for such portions of an Offer deemed to be confidential by AHCCCS.

4.4 Non-collusion, Employment, and Services: By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:

4.4.1 It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and

4.4.2 It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

5. Evaluation:

5.1 Unit Price Prevails: Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.

5.2 Taxes. Arizona transaction privilege and use taxes shall not be considered when evaluating Offers.

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- 5.3 **Late Offers:** An Offer submitted after the exact Offer due date and time shall be rejected.
- 5.4 **Disqualification:** The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- 5.5 **Offer Acceptance Period:** An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.
- 5.6 **Payment:** Payment shall comply with the requirement of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt of goods or services, the contractor shall submit a complete and accurate invoice for payment from HCG within thirty (30) days.
- 5.7 **Waiver and Rejection Rights:** Notwithstanding any other provision of the Solicitation, HCG reserves the right to:
- 5.7.1 Waive any minor informality;
- 5.7.2 Reject any and all Offers or portions thereof; or
- 5.7.3 Cancel a Solicitation.

6. **Award:**

- 6.1 **Number or Types of Awards:** Where applicable, HCG reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to HCG. If the Contracting Officer determines that an aggregate award to one Offeror is not in HCG's best interest, "all or none" Offers shall be rejected.
- 6.2 **Contract Inception:** An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Contracting Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 6.3 **Effective Date:** The effective date of this Contract shall be the date that the Contracting Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

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7. Confidential Information:

- 7.1 If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a detailed statement advising the Contracting Officer of this fact shall accompany the submission and the information shall be so identified wherever it appears. Such statement must also state the specific harm or prejudice which may arise if disclosed.
- 7.2 The information identified by the person as confidential shall not be disclosed until the Contracting Officer makes a written determination.
- 7.3 The Contracting Officer shall review the statement and information and shall determine in writing whether the information shall be withheld.


8. Contract Applicability: Any contract resulting from this solicitation shall be for the exclusive use of HCG.

9. Electronic Documents: HCG may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by HCG shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence.

10. Proposal Opening: Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation.

11. Protests: A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and the Arizona Administrative Code Title 2, Chapter 7, Article 9, Rules R2-7-901 through R2-7-937. It shall be in writing and be filed with the AHCCCS Contracting Officer and with the State Procurement Administrator. A protest of a solicitation or a contract award shall be received by the AHCCCS Contracting Officer before the offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- 11.1 The name, address and telephone number of the protester;
- 11.2 The signature of the protester or its representative;
- 11.3 Identification of the purchasing agency and the solicitation or contract number;
- 11.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

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1. **Offeror's Contacts:** All questions concerning this Request for Proposal, including technical specifications, proposal process, etc. shall be directed to the Solicitation Contact Person, identified on the first page of this solicitation document. All questions shall be in writing and submitted either via e-mail (preferred) or telefax. Contact information is found on the front page of this document. Offerors may not contact other HCG employees concerning this solicitation.

2. **Exceptions to Terms and Conditions:**
 - 2.1 If Offerors take any exception to any term, condition or requirement included in this solicitation document, such exception shall be submitted to the Contract Specialist **prior to the due date and time for receipt of proposals**. This will allow the Contract Specialist to review all exceptions and, if applicable, afford any approved exceptions to all other potential offerors.

 - 2.2 If an offeror includes, in their proposal, exceptions, not covered by paragraph 4.1, above, such exceptions shall be null, void and without force and shall not be considered, and may negatively affect HCG's proposal evaluation based on the published evaluation criteria or may result in rejection of the proposal.

 - 2.3 The Offeror's preprinted or standard terms will not be considered by HCG as a part of any resulting Contract.


3. **Evaluation Criteria:** Evaluation criteria are listed in the relative order of importance. The evaluation will be conducted in accordance with an established evaluation plan. The award(s) will be made to the responsible offeror whose proposal is determined to be the most advantageous to HCG, based on the following criteria:
 - 3.1 Experience and expertise of the Firm

 - 3.2 Evaluation of audit reports

 - 3.3 Experience and Expertise of Key Personnel

 - 3.4 Cost

4. **Proposal Information:** Offeror is to submit their proposal with one (1) original and six (6) copies (for a total of seven (7) sets) in the format as contained in this RFP. **The original copy of the proposal should be clearly labeled "ORIGINAL".** The material should be in sequence and related to the RFP. HCG will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal. The proposal should include at least the following information:

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4.1 Experience and Expertise of the Firm:


- 4.1.1 The Offeror's experience and past performance will be evaluated on the extent of its success in managing and integrating work relevant to that defined in the Scope of Work. Therefore, the Offeror is advised to submit any and all information which documents successful and reliable experience in past performances as related to this RFP.
- 4.1.2 References: References should be verifiable and be able to comment on the Offeror's related experience. The offeror should submit, at a minimum, three (3) professional services references that would demonstrate the offeror possesses an understanding and the experience in providing the required service. As these references may be checked, insure all information is current, accurate and prior permission to use is obtained from each reference. This information may be shown on the form attached as Exhibit C to this RFP or in a similar manner.
- 4.1.3 The Offeror should provide an organizational chart which clearly shows the reporting and lines of authority, to include all proposed key personnel and any proposed subcontractors. The organizational chart should identify the prime point of contact between the offeror and the HCG Project Manager.
- 4.1.4 The Offeror may submit any other pertinent information that would substantiate the firm possesses the experience, expertise and capability to provide the required services.

4.2 Evaluation of audit reports:

- 4.2.1 The Offeror should submit their audited financial statements.
- 4.2.2 The Offeror should submit the results of a statistically valid claim audit conducted by an outside firm qualified to perform such audits.
- 4.2.3 The Offeror should submit the results of a SAS-70 audit conducted by a firm qualified to perform such audits for health care plan TPAs. A SAS-70 is an audit conducted in accordance with Statement on Auditing Standard (SAS) No. 70 and is a highly specialized audit of the design and operational effectiveness of a service organization's internal controls over processing transactions for user organizations.

4.3 Experience and Expertise of Key Personnel:

- 4.3.1 The qualifications of the key personnel proposed by the offeror to perform the requirements of this solicitation will be considered in the evaluation. Therefore, the offeror should submit detailed information related to the experience, technical expertise and qualifications for each key personnel proposed. Offeror should provide the names and titles for all proposed key

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personnel; clerical staff is not considered key personnel. The use of *Exhibit A* is furnished for the offeror's use in presenting such information.

- 4.3.2 The Offeror should provide an organizational chart showing the staffing and lines of authority for the key personnel to be utilized. The relationship of the project leader to management and to support personnel should be clearly illustrated.
- 4.3.3 The Offeror should provide a resume for each proposed key person, which substantiates the key person possesses the experience and expertise to provide the assigned tasks and responsibilities as detailed in paragraph 4.3.2, above. Each resume should include a description of the type and years of experience, training and other pertinent qualifications. The Offeror should also indicate the estimated amount of time the proposed person will devote to any resultant contract. Resumes should be limited to four (4) pages. The use of Exhibit B, "Resumes for Key Personnel", may be used for this purpose.
- 4.3.4 Provide a detailed explanation of each key person's responsibilities as related to the requirements of the Scope of Work.
- 4.3.5 The Offeror may submit any other pertinent information that would substantiate each proposed key person possesses the experience, expertise and capability to provide the assigned services.


4.4 Cost: The evaluation of the category of Cost shall be based on the prices, as indicated on the Pricing Schedule submitted with offeror's proposal.

4.5 Additional Information: The Offeror may submit any other pertinent information which would substantiate the offeror has the experience, expertise and capability to provide the required services.

- 5. Offshore Performance of Work Prohibited:** Due to security and identify protection concerns, all services under any resultant contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in their proposal.
- 6. Intent to Provide Certificate of Insurance:** The Offeror should provide a statement that, if notified of contract award, will submit to HCG for review and acceptance, the applicable certificate/s of insurance as required within this RFP document, within five (5) business days of such notification.
- 7. Offeror's Financial Disclosure:** The Offeror should complete Exhibit D, "Offeror's Financial Disclosure".

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8. **Offeror's Checklist:** The offeror should complete Exhibit E, "Offeror's Checklist".
9. **Offeror's Responsibility:** The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the offeror's proposal. Failure of the offeror to submit such information may cause an adverse impact on the evaluation of the offeror's proposal.
10. **Discussions:** In accordance with A.R.S. §41-2534, after the initial receipt of proposals, discussions may be conducted with offeror(s) who submit proposals determined to be reasonably susceptible of being selected for award. Award may be made without discussions; therefore, offers should be submitted complete and on most favorable terms.
11. **Additional Information for Submittal of Proposal:**
 - 11.1 It is the responsibility of each offeror to insure their proposal is delivered to HCG by the due date and time. Allow for such contingencies as heavy traffic, weather, directions to submittal location, parking, common carriers not delivering as requested, etc. HCG shall not accept late proposals past the due date and time.
 - 11.2 HCG is not responsible for supplying boxes, envelopes, tape, etc. to offerors at time of proposal deliver.
 - 11.3 When submitting your proposal, insure your company name and the Request for Proposal solicitation number is clearly marked on the outside of the envelope/package.

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1. **Advertising and Promotion of Contract:** The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.

2. **Amendments:** This Contract is issued under the authority of the Contracting Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

3. **Arizona Law:** The law of Arizona applies to this contract including, where applicable, the Uniform Commercial Code, as adopted in the State of Arizona.

4. **Arizona Procurement Code:** The Arizona Procurement Code, A.R.S. Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code Title 2, Chapter 7, is a part of this Contract as if fully set forth in it.


5. **Assignment and Delegation:** The Contractor shall not assign any right nor delegate any duty under this contract without prior written approval of the Contracting Officer, who will not unreasonably withhold such approval.

6. **Audits and Inspections:**
 - 6.1 The Contractor shall comply with all provisions specified in A.R.S. 35-214 and 35-215 and HCG and AHCCCS policies and procedures relating to the audit of Contractor's records and the inspection of Contractor's facilities. Contractor shall fully cooperate with HCG staff and allow them reasonable access to Contractor's staff, subcontractors, members, and records.

 - 6.2 At any time during the term of this contract, and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by HCG and, where applicable, the federal government, to the extent that the books and records relate to the performance of the contract or subcontracts.

 - 6.3 HCG may evaluate through on-site inspection or other means, the quality, appropriateness and timeliness of services performed under this contract.

7. **Availability of Funds for the Next Fiscal Year:** Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.

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8. **Cancellation for Conflict of Interest:** Pursuant to A.R.S. 38-511, HCG may cancel this contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of HCG is or becomes at any time, while the Contract or an extension of the Contract is in effect, an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation, unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.

9. **Compliance with Applicable Laws:** The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.


10. **Contract Claims:** All contract claims or controversies under this contract shall be resolved according to A.A.C. 22, Article 8 and rules adopted thereunder.

11. **Contract Order of Precedence:** In the event in the provisions of the contract, as accepted by HCG and as they be amended, the following shall prevail in the order set forth below:
 - 11.1 Special Terms and Conditions;
 - 11.2 Uniform Terms and Conditions;
 - 11.3 Statement or Scope of Work;
 - 11.4 Specifications;
 - 11.5 Attachments;
 - 11.6 Exhibits;
 - 11.7 Documents, referenced or included in the solicitation.

12. **Contractor's Representations and Warranties:** All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

13. **Delivery:** Unless stated otherwise in the contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination.

14. **Exclusions:** Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.

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15. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

16. Force Majeure:

16.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure-. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

16.2 Force Majeure shall not include the following occurrences:


16.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

16.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

16.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

16.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

16.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

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17. **General Indemnification:** The parties to this contract agree that HCG shall be indemnified and held harmless by the Contractor for the vicarious liability of HCG as a result of entering into this contract. However, the parties further agree that HCG shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
18. **Gratuities:** The Contracting Officer may, by written notice to the Contractor, immediately terminate this contract if it determines that employment or a gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of HCG for the purpose of influencing the outcome of the procurement or securing the contract, an amendment to the contract, or favorable treatment concerning the contract, including the making of any determination or decision about contract performance. The Contracting Officer, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.
19. **Implied Contract Terms:** Each provision of law and any terms required by law to be in this contract are a part of this contract as if fully stated in it.
20. **Indemnification -- Patent and Copyright:** The Contractor shall defend, indemnify and hold harmless HCG against any liability including costs and expenses for infringement of any patent, trademark or copyright arising out of contract performance or use by HCG of materials furnished or work performed under this contract. The Contracting Officer shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
21. **Inspection/Testing:** The contractor agrees to permit access to its facilities, subcontractor facilities and the contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this contract. HCG shall also have the right to test at its own cost the materials to be supplied under this contract. Neither inspection at the contractor's facilities nor testing shall constitute final acceptance of the materials. If HCG determines non-compliance of the materials, the contractor shall be responsible for the payment of all costs incurred by HCG for testing and inspection.
22. **IRS W9 Form:** In order to receive payment under any resulting contract, the contractor shall have a current IRS W9 Form on file with the State of Arizona.
23. **Liens:** The Contractor warrants that the materials supplied under this contract are free of liens.
24. **No Parole Evidence:** This contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this contract.
25. **No Waiver:** Either party's failure to insist on strict performance of any term or condition of the contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it.

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26. **Nonconforming Tender:** Materials supplied under this contract shall fully comply with the contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, HCG may terminate the contract for default under applicable termination clauses in the contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
27. **Non-Discrimination:** The Contractor shall comply with State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act. The Contractor shall take positive action to ensure that applicants for employment, employees, and persons to whom it provides service are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
28. **Non-exclusive Remedies:** The rights and the remedies of HCG under this contract are not exclusive.
29. **Notices:** Notices to the Contractor required by this Contract shall be made by the Contracting Officer to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to HCG required by the Contract shall be made by the Contractor to the Contracting Officer. An authorized Contracting Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
30. **Offshore Performance of Work Prohibited:** Due to security and identity protection concerns, all services under this contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers.
31. **Payments:** The Contractor shall be paid as specified in the Contract. Payment must comply with requirements of A.R.S. Title 35.
32. **Payment of Taxes by HCG:** HCG shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting contract.
33. **Purchase Orders:** The Contractor shall, in accordance with all terms and conditions of the contract, fully perform and shall be obligated to comply with all purchase orders received by the contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Contracting Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.
34. **Property of HCG:** Any materials, including reports, computer programs and other deliverables, created under this contract are the sole property of HCG. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The

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Contractor shall not use or release these materials without the prior written consent of the Contracting Officer.

35. **Records:** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records (“records”) relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records at no cost to the State.
36. **Relationship of Parties:** The Contractor under this contract is an independent contractor. Neither party to this contract shall be deemed to be the employee or agent of the other party to the contract.
37. **Risk of Loss:** The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
38. **Right of Offset:** HCG shall be entitled to offset against any amounts due the Contractor any expenses or costs incurred by HCG concerning the Contractor's non-conforming performance or failure to perform the contract, including expenses, costs and damages described in the proceeding paragraphs.
39. **Right to Assurance:** If HCG, in good faith, has reason to believe that the Contractor does not intend to perform or continue performing this contract, the Contracting Officer may demand in writing that the Contractor give a written assurance of intent to perform. The demand shall be sent to the Contractor by certified mail, return receipt required. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the Contracting Officer's option, be the basis for terminating the contract.
40. **Severability:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract, which may remain in effect without the invalid provision, or application.
41. **State and Local Transaction Privilege Taxes:** HCG is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
42. **Stop Work Order:**
 - 42.1 HCG may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon

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receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

42.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

43. Subcontracts: The contractor may, with the consent of the Contracting Officer, enter into written subcontract(s) for performance of certain of its functions under the contract. Subcontractors must be approved in writing by the Contracting Officer to the effective date of any subcontract.


43.1 No subcontract which the contractor enters into with respect to performance under the contract shall in any way relieve the contractor of any responsibility for performance of its duties.

43.2 The contractor shall give the Contracting Officer immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor which in the opinion of the contractor may result in litigation related in any way to the contract with HCG.

44. Suspension or Debarment: The Contracting Officer may, by written notice to the Contractor, immediately terminate this Contract if the Contracting Officer or the State determine that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

45. Tax Indemnification: the contractor and all subcontractors shall pay all Federal, State and local taxes applicable to its operation and any persons employed by the contractor. Contractor shall, and require all subcontractors, to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal and/or State and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.


46. Termination for Convenience: The Contracting Officer reserves the right to terminate the contract in whole or in part at any time when in the best interests of HCG without penalty or recourse. The Contracting Officer shall give written notice by certified mail, return receipt requested, to the Contractor of the termination at least ninety (90) days before the effective date of the termination. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R 2-7-701 shall apply.

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47. Termination for Default:

- 47.1 The Contracting Officer reserves the right to terminate this contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or failure to take corrective action as required by the Contracting Officer to comply with the terms of the contract. If the Contractor is providing services under more than one contract with HCG, the Contracting Officer may deem unsatisfactory performance under one contract to be cause to require the Contractor to provide assurance of performance under any and all other contracts. In such situations, the Contracting Officer reserves the right to seek remedies under both actual and anticipatory breaches of contract if adequate assurance of performance is not received. The Contracting Officer shall mail written notice of the termination and the reason(s) for it to the Contractor by certified mail, return receipt requested.
- 47.2 In the event the Contractor requests a hearing prior to termination, HCG is required by the Balanced Budget Act of 1997 to oversee the operation of the Contractor entity through appointment of temporary management prior to the hearing.
- 47.3 Upon termination under this paragraph, all documents, data, and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Contracting Officer on demand.
- 47.4 The Contracting Officer may, upon termination of this contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this contract. The Contractor shall be liable for any excess costs incurred by HCG in procuring the materials or services in substitution for those due from the Contractor.


- 48. Third Party Antitrust Violations:** The Contractor assigns to HCG any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this contract.

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1. **Assignment of Contract and Bankruptcy:** This contract is voidable and subject to immediate cancellation by the Contracting Officer upon Contractor becoming insolvent or filing proceedings in bankruptcy or assigning rights or obligations under this contract without the prior written consent of the Contracting Officer.
2. **Authority to Contract:** This contract is issued under the authority of the Contracting Officer who signed this contract. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by an unauthorized state employee or made unilaterally by the Contractor are violations of the contract and of applicable law. Such changes, including unauthorized written contract amendments, shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.
3. **Choice of Forum:** The parties agree that jurisdiction over any action arising out of or relating to this contract shall be brought or filed in a court of competent jurisdiction located in the State of Arizona.
4. **Continuation of Performance Through Termination:** The contractor shall continue to perform, in accordance with the requirements of the contract, up to the date of termination, as directed in the termination notice.
5. **Conflict of Interest:** The Contractor shall not undertake any work that represents a potential conflict of interest, or which is not in the best interest of HCG or the State without prior written approval by HCG. The Contractor shall fully and completely disclose any situation that may present a conflict of interest. If the Contractor is now performing or elects to perform during the term of this contract any services for any HCG health plan, provider or Contractor or an entity owning or controlling same, the Contractor shall disclose this relationship prior to accepting any assignment involving such party.
6. **Contract Cancellation (Immediate):** This contract is critical to HCG and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:
 - 6.1 The contractor provides material that does not meet the specifications of the contract;
 - 6.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 6.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
 - 6.4 The contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.

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6.5 The Contracting Officer may resort to any single or combination of the following remedies:

6.5.1 Cancel any contract;

6.5.2 Reserve all rights or claims to damage for breach of any covenants of the contract;

6.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor.

6.5.4 In case of default, the Contracting Officer reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by:

6.5.4.1 Deduction from an unpaid balance;

6.5.4.2 Collection against the bid and/or performance bond; or

6.5.4.3 Any combinations of the above or any other remedies as provided by law.

7. Contract Cancellation (Minimum 10 Day): The Contracting Officer reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any material obligation, term or condition of the contract. The Contracting Officer shall issue written notice to the contractor for acting or failing to act as in any of the following:

7.1 The contractor provides material that does not meet the specifications of the contract;

7.2 The contractor fails to adequately perform the services set forth in the specifications of the contract;


7.3 The contractor fails to complete the work required or furnish the materials required within the time stipulated by the contract;

7.4 The contractor fails to make progress in the performance of the contract and/or gives the Contracting Officer reason to believe that the contractor will not or cannot perform to the requirements of the contract.

7.5 Upon receipt of the written notice of concern, the contractor shall have a minimum of ten (10) days (Contracting Officer may determine a longer period) to provide a satisfactory response to the Contracting Officer. Failure on the part of the contractor to adequately address all issues of concern may result in the Contracting Officer resorting to any single or combinations of the following remedies.

7.5.1 Cancel any contract;

7.5.2 Reserve all rights or claims to damage for breach of any covenant of the contract;

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7.5.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor;

7.5.4 In case of default, the Contracting Officer reserves the right to purchase materials, or to complete the required work in accordance with the Arizona Procurement Code. The Contracting Officer may recover reasonable excess costs from the contractor by;

7.5.4.1 Deduction form an unpaid balance;

7.5.4.2 Collection against the bid and/or performance bond; or

7.5.4.3 Any combination of the above or any other remedies as provided by law.

8. **Contract Disputes:** Contract disputes arising under A.R.S. § Title 36, Chapter 29 shall be adjudicated in accordance with AHCCCS Rules.


9. **Cooperation with other Contractors:** HCG may award other contracts for additional work related to this contract and Contractor shall fully cooperate with such other contractors and HCG employees or designated agents, and carefully fit its own work to such other contractors' work. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by HCG employees.

10. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to HCG for the purpose of assuring that no information contained in its records or obtained from HCG or others carrying out its functions under the contract, shall be used or disclosed by it, its agents, officers or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to HCG. The contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to, in writing, by HCG.

11. **Covenant Against Contingent Fees:** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For violation of this warranty, the Contracting Officer shall have the right to annul this contract without liability.

12. **Contract:**


12.1 The contract between HCG and the contractor shall consist of (1) the Request for Proposal (RFP) and any amendments thereto, and (2) the proposal submitted by the contractor in response to the RFP. In the event of a conflict in language between the two documents referenced, the provisions and requirements set forth and/or referenced in the RFP shall

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govern. However, HCG reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.

12.2 The contract shall be construed according to the laws of the State of Arizona. The State of Arizona is not obligated for the expenditures under the contract until funds have been encumbered.

13. **Disclosure of Confidential Information:** The Contractor shall not, without prior written approval from the Contracting Officer, either during or after the performance of the services required by this contract, use, other than for such performance, or disclose to any person other than HCG personnel with a need to know, any information, data, material, or exhibits created, developed, produced, or otherwise obtained during the course of the work required by this contract. This nondisclosure requirement shall also pertain to any information contained in reports, documents, or other records furnished to the Contractor by HCG.
14. **Effective Date:** The effective date of this contract shall be the date that the Contracting Officer signs the Offer and Award page of this document.
15. **Employees of the Contractor:** All employees of the Contractor employed or in performance of work under this Contract shall be employees of the Contractor at all times and not of HCG. The Contractor shall comply with the Social Security Act, Workers' Compensation laws and unemployment laws of the State of Arizona as well as federal, state and local legislation relevant to the Contractor's business.
16. **Incorporation by Reference:** This solicitation and all attachments and amendments, the Contractor's proposal, best and final offer accepted by the Contracting Officer, and any approved subcontracts are hereby incorporated by reference into the contract.
17. **Independent Contractor:** The contractor represents himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Arizona and/or HCG. Therefore, the contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, inc.
18. **Insurance:**
 - 18.1 Without limiting any liabilities or any other obligation of the Contractor, the Contractor shall purchase and maintain (and cause its subcontractors to purchase and maintain), in a company or companies lawfully authorized to do business in the State of Arizona, and rated at least A VII in the current A.M. Best's, the minimum insurance coverage below:

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- 18.2 Commercial General Liability, with minimum limits of \$1,000,000 per occurrence, and an unimpaired products and completed operations aggregate limit and general aggregate minimum limit of \$2,000,000. Coverage shall be at least as broad as the Insurance Service Office, Inc. Form CG00010196, issued on an Occurrence basis, and endorsed to add the State of Arizona and AHCCCS as an Additional Insured (ISO Form G 12057) with reference to this contract. Homeowner's insurance is not acceptable. The policy shall include coverage for:

--Bodily Injury;
 --Broad Form Property;
 --Personal Injury;
 --Blanket Contractual Liability;
 --Products and Completed Operations;
 --Fire Legal Liability;

- 18.3 Business Automobile Liability, with minimum limits of \$1,000,000 per occurrence combined single limit, with Insurance Service Office Inc. Declarations to include Symbol One (Any Auto) applicable to claims arising from bodily injury, death or property damage arising out of the ownership, maintenance or use of any auto. The policy shall be endorsed to add the State of Arizona and AHCCCS as an Additional Insured with reference to this contract. Personal automobile insurance is not acceptable.

- 18.4 Workers Compensation and Employers Liability insurance as required by the State of Arizona Workers Compensation statutes, as follows:

Workers Compensation (Coverage A):	Statutory Arizona benefits;
Employers Liability (Coverage B):	\$500,000 each accident;
	\$500,000 each employee/disease;
	\$1,000,000 policy limit/disease.


- 18.5 Policy shall include endorsement for All State coverage for state of hire.

NOTE: Paragraph 18.4 does not apply to a sole proprietor executing a Sole Proprietor Waiver.

- 18.6 The State of Arizona and AHCCCS reserves the right to require higher limits of liability and/or variations in the application of the insurance policy limits to individual providers and/or group providers.

The following provisions apply to all contractors and subcontractors:

- 18.7 The State of Arizona and AHCCCS reserves the right to request and receive certified copies of all policies and endorsements within ten calendar days of contract signature.

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- 18.8 Certificates of Insurance acceptable to the State of Arizona and AHCCCS shall be issued and delivered prior to the commencement of the work defined in this contract, and shall identify this contract and include certified copies of endorsements naming the State of Arizona and AHCCCS as Additional Insured for liability coverages. The certificates, insurance policies and endorsements required by this paragraph shall contain a provision that coverages afforded will not be cancelled until at least sixty (60) days prior written notice has been given to the State of Arizona and AHCCCS. All coverages, conditions, limits and endorsements shall remain in full force and effect as required by this contract.
- 18.9 The State of Arizona and AHCCCS reserves the right to require higher limits of liability and/or variations in the application of the insurance policy limits to individual providers and/or group providers.
- 18.10 Errors and Omissions Liability with minimum limits of \$5,000,000 Each Claim and an unimpaired annual aggregate of \$10,000,000 All Claims, with a Retroactive Liability Date (if applicable to Claims-Made coverage) not later than the effective date of this contract. The policy shall cover wrongful acts, errors and omissions arising from the Contractor's vicarious liability in the selection of providers, utilization review, quality assurance, and administration of the plan as outlined in the Scope of Work. The State of Arizona and HCG shall be named as Additional Insured with respect to this contract.
- 18.11 Each policy shall contain an Extended Claim Reporting Provision of not less than three years following termination of the policy.
- 18.12 Failure on the part of the Contractor to meet these requirements shall constitute a material breach of contract, upon which the State of Arizona and AHCCCS may immediately terminate this agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the State of Arizona and AHCCCS shall be repaid by the Contractor upon demand, or the State of Arizona and AHCCCS may offset the cost of the premiums against any monies due to the Contractor. Costs for coverages broader than those required or for limits in excess of those required shall not be charged to the State of Arizona and AHCCCS. The Contractor and its insurer(s) providing the required coverages shall waive their rights of recovery against the State of Arizona, its Departments, Employees and Officers, Agencies, Boards and Commissions.
19. **Key Personnel:** It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of HCG's authorized representative and a copy to the Contracting Officer of record.
20. **Licenses:** Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

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- 21. Lobbying:** No funds paid to the Contractor by HCG, or interest earned thereon, shall be used for the purpose of influencing or attempting to influence an officer or employee of any federal or State agency, a member of the United States Congress or State Legislature, an officer or employee of a member of the United States Congress or State Legislature in connection with awarding of any federal or State contract, the making of any federal or State grant, the making of any federal or State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal or State contract, grant, loan, or cooperative agreement. The Contractor shall disclose if any funds other than those paid to the Contractor by HCG have been used or will be used to influence the persons and entities indicated above and will assist HCG in making such disclosures to CMS.
- 22. No Guaranteed Quantities:** HCG does not guarantee the Contractor any minimum or maximum quantity of services or goods to be provided under this contract.
- 23. Non-exclusive Contract:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of HCG. The state reserves the right to obtain like goods or services from another source when necessary.
- 24. Other Contracts:** HCG may undertake or award other contracts for additional or related work and the contractor shall fully cooperate with such contractors and state employees and carefully fit his own work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by state employees. AHCCCS shall equitably enforce this section to all contractors to prevent the imposition of unreasonable burdens on any contractor.
- 25. Responsibility for Payments Indemnification:** The contractor shall be responsible for issuing payment for services performed by the contractor's employees and will indemnify and save HCG harmless for all claims whatsoever growing out of the lawful demands of employees, subcontractors, suppliers or any other third party incurred in the furtherance of the performance of the contract. The contractor shall, at HCG's request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.
- 26. Term of Contract and Option to Renew:**
- 26.1 The initial term of this contract shall be for one (1) initial year with four (4) one-year options to extend, not to exceed a total contracting period of five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract, as amended. All contract extensions shall be through contract amendment, and shall be at the sole option of AHCCCS.
- 26.2 When the Contracting Officer issues an amendment to extend the contract, the provisions of such extension will be deemed to have been accepted 60 days after the date of mailing by the Contracting Officer, even if the extension amendment has not been signed by the Contractor, unless within that time the Contractor notifies the Contracting Officer in writing that it refuses

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to sign the extension amendment. If the Contractor provides such notification, the Contracting Officer will initiate contract termination proceedings.

26.3 If the Contractor chooses not to renew this contract, the Contractor may be liable for certain costs associated with the transition of its members to a different Contractor. If the Contractor provides the Contracting Officer written notice of its intent not to renew this contract at least 180 days before its expiration, this liability for transition costs may be waived by the Contracting Officer.

27. **Termination - Availability of Funds:** Funds are not presently available for performance under this contract beyond the current fiscal year. No legal liability on the part of AHCCCS for any payment may arise under this contract until funds are made available for performance of this contract. AHCCCS shall make reasonable efforts to secure such funds.

28. **Type of Contract:** Firm Fixed-Price.

29. **Warranty of Services:** The Contractor warrants that all services provided under this contract will conform to the requirements stated herein. AHCCCS' acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Contracting Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

30. **Fraud and Abuse:**

30.1 It shall be the responsibility of the Contractor to report all cases of suspected fraud and abuse by subcontractors, members or employees. The Contractor shall provide written notification of all such incidents to the Contracting Officer.

30.2 As stated in A.R.S. § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises or material omissions is guilty of a class 2 felony.

30.3 Contractors are required to research potential overpayments identified by a fraud and abuse investigation or audit conducted by AHCCCS. After conducting a cost benefit analysis to determine if such action is warranted, the Contractor should attempt to recover any overpayments identified due to erroneous, false or fraudulent billings.

Attachment A



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ATTACHMENT A- Third Party Administration Performance Standards

Performance Standards	Guarantees		
	Description	Amount at Risk	Measurement
<i>I. Implementation</i>			
ID Card Issuance	99% issued within 10 business days of effective date of covered person	1% of annual administration fees	Supplier report, random audit, or member survey; completion of task by cut-off date; reported and measured annually
ID Card Accuracy	98% correct; Less than 2% of insured person calling with problems requiring re-issue	1% of annual administration fees	Supplier report, random audit, or member survey; reported and measured annually
System changes for Benefits, Rate schedules, business rule changes. Implementation activities to include system testing, procedure identification, coordination w/ other vendors	30 days for normal system changes or timelines mutually agreed to for Program implementation and "go live" date with no delays or impact to HCG members.	1% of annual administration fees	Completion of all implementation activities to HCG's satisfaction.
<i>II. Administration</i>			
<i>A. Claims Payment</i>			
Claims Processing Accuracy	98% determined by the number of claims processed correctly divided by the total number of claims	3% of annual administration fees	Supplier reports, random audit, or member survey; reported quarterly and measured annually
Financial Payment Accuracy	99% determined by total claim dollars paid correctly divided by the total paid claim dollars	3% of annual administration fees	Supplier reports, random audit, or member survey; reported quarterly and measured annually
Claims Payment Accuracy	99% determined by the total number of claims paid without dollar errors divided by the total number of claims paid	3% of annual administration fees	Supplier reports, random audit, or member survey; reported quarterly and measured annually
Clean Claims Turnaround Time (Date of Receipt to Date of Payment)	95% processed within 10 business days 98% processed within 15 business days 100% processed within 22 business days 98% of investigated claims processed within 30 days with payment to providers, insured person within the next 7 days	3% of annual administration fees	Supplier reports, random audit, or member survey; reported quarterly and measured annually

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B. Customer Service

Claims inquiry Telephone Response Time	90% of calls answered in 30 seconds or less	1% of annual administration fees	Supplier telephone reports, random audit or member survey; reported quarterly and measured annually
Correspondence	92% of written inquiries resolved within 15 days; 98% resolved within 30 days; 100% resolved in 60 days	1% of annual administration fees	Supplier reports, random audit or member survey; reported quarterly and measured annually

C. Data Reporting (in and out-of-network by benefit plan)

Report Delivery (contractor)	Monthly reports within 15 days following end of month, quarterly reports within 45 days following end of quarter, annual reports within 60 days following end of plan year, and ad hoc reports within 5 days of request	\$1,000 per day for each day reports untimely. For each successive reporting period for which the standard is not met, the penalty will increase an additional \$100 per day.	Report delivery record monitored by HCG
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D. Program Management

Eligibility Data	100% of eligibility files processed within 2 business days	1% of annual administration fees	Measurement following each tape receipt; reported monthly and measured annually
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F. Satisfaction

Insured Person Material Requests	Deliver new membership materials to new insured person or those with changes within 5 working days of request.	1% of annual administration fees	Valid complaints from insured persons who report problems to HCG
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G. Vendor Account Management

Satisfaction with Vendor Account Manager and Account Team	Composite score of 4 out of 5 or better	3% of annual administration fees	Evaluation by HCG management; reported and measured annually
Response to Client Calls; inquiries; or meetings	Within 1 business day	3% of annual administration fees	Evaluation by HCG management; reported and measured annually

III. Reporting

Standard Monthly Reports	Standard Quarterly Reports	Annual Reports (should include comparisons to book of business)	
Claims billed, allowed and paid Claims lag (incurred vs. paid)	Rate of hospital admissions/1,000 members Rate of hospital	Rate of hospital admissions/1,000 members Rate of hospital	

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Large claim reports identifying covered persons with claims of \$25,000 or more within the plan year
Individual claim submissions/bills in excess of \$100,000
Number of checks processed
Number of explanation of benefits (EOB's) processed including the number of "no-payments"

days/1,000 members
Average length of stay (hospital and skilled nursing centers)
Physician office visits (PCP vs. specialist)
Emergency room visits/1,000 members
Outpatient surgeries/1,000 members

Claim costs by type of service (medical-inpatient, outpatient, physician, by diagnostic category, etc.)
In-network vs. out-of-network utilization and claims cost
Payment per admission
Savings resulting from network discounts


days/1,000 members
Average length of stay (hospital and skilled nursing centers)
Physician office visits (PCP vs. specialist)
Emergency room visits/1,000 members
Outpatient surgeries/1,000 members
Claim costs by type of service (medical-inpatient, outpatient, physician, by diagnostic category.; etc.)
In-network vs. out-of-network utilization and claims cost
Patient outcomes (in terms of mortality and morbidity)
Payment per admission
Savings resulting from network discounts

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KEY PERSONNEL

NAME OF KEY PERSON	TITLE


NOTE: Attach a resume for each individual, as required in the Special Instructions to Offerors.

Exhibit B – Resumes of Key Personnel		
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1. Complete a separate resume for each key person who will be proposed to provide the services as required in the Scope of Work. Each resume should, at a minimum, contain at least the following information:
 - 1.1 Name of person;
 - 1.2 Proposed position for contract service;
 - 1.3 Position currently held in offeror's firm;
 - 1.4 Number of years with offeror's firm;
 - 1.5 Number of years experience providing services being procured by this solicitation;
 - 1.6 Job related training;
 - 1.7 Education;
 - 1.8 Qualifications;
 - 1.9 Previous related experience with commercial insurance companies or TPA's;
 - 1.10 Certifications;
 - 1.11 Membership in professional organizations;
 - 1.12 Primary functions person will fulfill under this Contract;
 - 1.13 If person will not be assigned exclusively to this Contract, what percentage of time will person be assigned to this Contract, and
 - 1.14 Any additional information which would substantiate the key person possesses the experience, expertise and knowledge to provide the proposed services.

Exhibit C - Firm's References		 701 East Jefferson, MD 5700 Phoenix, Arizona 85034
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1. References should be verifiable and should be able to comment on the firm's related experience. The Offeror should submit a minimum of three (3) similar size and scope professional references for organizations your company has provided services. Each reference should provide at least the following information:
 - 1.1 Name, address and telephone number of Contracting Agency or Company;
 - 1.2 Contact Person who may be contacted for verification of all information submitted;
 - 1.3 Location of Services;
 - 1.4 Name of all key personnel and sub-contractors used;
 - 1.5 Start and completion date of work performed, and
 - 1.6 Detailed written narrative of the specific services performed.

<h1>Exhibit D - Offeror's Financial Disclosure</h1>		<div>  </div> <div> 701 East Jefferson, MD 5700 Phoenix, Arizona 85034 </div>
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OFFEROR'S FINANCIAL DISCLOSURE

Instructions: Complete each item, using attachments where necessary. If attachments are used, indicate the item number and question being referenced as it appears below.

	<u>YES</u>	<u>NO</u>
A. Does the Offeror's organization prepare a public annual financial statement? If yes, provide a copy of the most recent annual financial statement.	_____	_____
B. Is your organization audited by an independent auditor? If yes, answer 1 through 4.	_____	_____
1) How often are audits conducted? _____		
2) By whom are they conducted? _____		
3) Are management letters or internal controls issued by the auditing firm?	_____	_____
4) Does your organization have any uncorrected audit exceptions?	_____	_____
C. Are there any suits, judgments, tax deficiencies or claims pending against your organization? If yes, answer 1 and 2	_____	_____
1) What is the dollar amount? _____		
2) In which state(s)? _____		
D. Has the Offeror's organization ever gone through bankruptcy?	_____	_____

Exhibit E - Offeror's Checklist



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Note to Prospective Offerors: This Exhibit has been added to this RFP as a convenience to offerors. It is believed to be a complete listing of all submission requirements pursuant to this RFP. However, if a requirement is stated anywhere in the RFP text, yet does not appear in the Offeror's Checklist, the text statement takes precedence over the omission of that requirement in the Offeror's Checklist.

Requirement #	Description:	RFP Page	Offeror's Page #
1	Offeror's checklist completed (i.e., page numbers entered in the right-hand column of this table.)	This Page	
2	Offer and Acceptance page complete	Page 3	
3	Pricing Schedule	Page 19	
4	Copies of proposal submitted as one (1) marked "Original" and five (5) copies	Page 29	
	<i>Proposal consists of the following:</i>		
5	Detailed narrative/table summarizing the firm's experience	Page 30	
6	Minimum of three (3) references for the firm (Exhibit C)	Page 54	
7	Organizational Chart	Page 30	
8	Evaluation of Audit Reports	Page 30	
9	List of all proposed Key Personnel (Exhibit A)	Page 52	
10	Detailed explanation of each key person's tasks and responsibilities	Page 31	
11	Resume for each key person (Exhibit B)	Page 53	
12	Cost/Pricing Information	Page 31	
13	Any additional information	Page 31	
14	Statement of Intent to provide Certificate of Insurance	Page 31	
15	Financial Disclosure (Exhibit D)	Page 55	

Certificate of Insurance



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Prior to commencing services under this contract, the contractor must furnish the state certification from insurer(s) for coverages in the minimum amounts as stated below. The coverages shall be maintained in full force and effect during the term of this contract and shall not serve to limit any liabilities or any other contractor obligations.

Name and Address of Insurance Agency:	Company Letter:	Companies Affording Coverage:
	A	
	B	
Name and Address of Insured:	C	
	D	

LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE		COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	DATE POLICY EXPIRES
Bodily Injury Per Person Each Occurrence Property Damage OR Bodily Injury and Property Damage Combined			Comprehensive General Liability Form Premises Operations Contractual Independent Contractors Products/Completed Operations Hazard Personal Injury Broad Form Property Damage Explosion & Collapse (If Applicable) Underground Hazard (If Applicable)		
Same as Above			Comprehensive Auto Liability Including Non-Owned (If Applicable)		
Necessary if underlying is not above minimum			Umbrella Liability		
Statutory Limits			Workmen's Compensation and Employer's Liability		
			Other		

State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order, or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the state without thirty (30) days written notice to the State. This Certificate is not valid unless countersigned by an authorized representative of the insurance company.

Name and Address of Certificate Holder:

Date Issued: _____

Authorized Representative

End of Solicitation YH05-0010 Document